

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6663

BILL NUMBER: SB 165

NOTE PREPARED: Dec 20, 2002

BILL AMENDED:

SUBJECT: Restriction on School Levy.

FIRST AUTHOR: Sen. Kenley

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill prohibits a school corporation from levying taxes to offset a reduction in revenue resulting from a statutory amendment reducing the amount of state property tax replacement payable to the school corporation.

Effective Date: January 1, 2003 (retroactive).

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under current law, beginning in CY 2003, the state will pay the first 60% of school general fund property tax levies. This payment is made through property tax replacement credits and is estimated to be about \$1,067 M for CY 2003. Under this bill, school corporations would not be permitted to collect any deficiency from property tax payers in the event that the 60% replacement amount is reduced. This bill would have no impact unless the General Assembly acts to reduce the state's obligation to replace 60% of school general fund levies. If the General Assembly reduces the replacement percentage, then overall revenue to school general funds would be reduced by the amount of the PTRC reduction.

State Agencies Affected:

Local Agencies Affected: Local School Corporations.

Information Sources:

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